

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Transfer of Ananthapur and Kurnool Districts from CPDCL to SPDCL in accordance with the provisions of AP Reorganisation Act, 2014- Guidelines issued

ENERGY (CC) DEPARTMENT

G.O.Ms.No. 24 .

Dated: 29-05-2014

As the two districts of Ananthapur and Kurnool fall within the residual state of AP, in accordance with Schedule XII of Andhra Pradesh Reorganization Act 2014, it is necessary to reassign the distribution business of these two districts to the present APSPDCL from APCPDCL. The assets and liabilities shall be reassigned to APSPDCL as per the Section 53 of the Act. To facilitate the reassignment of the distribution business of the two districts of Ananthapur and Kurnool to APSPDCL as per the Act, following guidelines are issued.

- I. **Effective Date/Appointed Date:** The Effective/Appointed date for transfer of the business is 02.06.2014.
- II. **Employees:** All the employees working in Kurnool and Ananthapur circles on the appointed day will continue to work in the same places till the final allotment of employees to the respective DISCOMS is completed in accordance with guidelines to be issued by government separately in this regard. Their salaries will be paid by APCPDCL and reimbursed by APSPDCL on monthly basis till the final allotment is completed. Provisional allocation of staff will be done as per State Government guidelines.
- III. **Posts:**
 - (i) All the Sanctioned posts of the operational units shown below in the districts of Ananthapur and Kurnool will be reassigned to APSPDCL
 - a. Circle Office
 - b. Division Office
 - c. Sub Division Office
 - d. Section Office
 - e. Electricity Revenue Office
 - f. M&P , Transformers, Construction, DPE, Assessment Offices
 - (ii) Kurnool Zonal Office: The zonal office caters to Kurnool, Ananthapur and Mahabubnagar districts. The sanctioned posts of the Kurnool zonal office will be apportioned between APSPDCL and APCPDCL, by considering the weighted average of the cost drivers identified by APERC for allocating the Employee costs and A&G costs viz.,
 - a. 20% to number of consumers existing.
 - b. 10% to number of DTRs existing.
 - c. 70% to Length of lines and number of sub-stations. This cost is allocated between number of sub-stations and length of lines in the ratio of 70: 30.

For calculating the ratio of each of the above parameters, the values of Kurnool and Ananthapur are taken in the numerator and that of Kurnool, Ananthapur and Mahabubnagar in the denominator. The percentage of posts to be transferred to APSPDCL is at Annexure 1.

- (iii) **APCPDCL Corporate Office:** For apportioning the sanctioned posts of the corporate office, the values of the above three parameters of Kurnool and Ananthapur are taken in the numerator and that of entire APCPDCL in the denominator. One post of Director will be transferred to SPDCL. The

percentage of posts to be transferred to APSPDCL is at Annexure-2. Details are at Annexure-1.

- (iv) **Consumer Grievances Redressal Forum (Rural):** This office caters to Kurnool, Ananthapur, Mahabubnagar, Medak and Nalgonda districts. For the apportioning of the posts of this office, the values of the above three parameters of Kurnool and Ananthapur are taken in the numerator and that of Kurnool, Ananthapur, Mahabubnagar, Medak and Nalgonda are taken in the denominator. The percentage of posts to be transferred to APSPDCL are at Annexure-1.

IV. **Pension and Gratuity Trust:** Actuarial valuation of the trust has to be conducted after the employees are finally allotted to APCPDCL and APSPDCL to determine

- (a) the unfunded liability of the employees transferred
- (b) the unfunded liability of the existing pensioners of Kurnool and Ananthapur circles
- (c) The balance of the fund that has to be transferred to APSPDCL Pension and Gratuity Trust.

The amount so arrived at shall be transferred by APCPDCL to APSPDCL. APSPDCL shall be responsible for all the terminal benefits of employees transferred from APCPDCL to APSPDCL as well as those pertaining to existing pensioners of Kurnool and Ananthapur circles.

V. **APCPDCL PF Trust:** The share of the employees transferred to APSPDCL in the PF Trust will be transferred by APCPDCL to APSPDCL PF Trust after the final allocation of the employees.

VI. **APSEE Master Trust:** The Andhra Pradesh State Electricity Employees Master Trust shall release the pension and terminal benefits as per the existing procedure to APSPDCL, for the pensioners and the employees allotted to APSPDCL.

VII. Employees transferred to APSPDCL shall be deemed to have entered into an agreement with APSPDCL to repay the loans, advances and other sums due or otherwise perform the obligations under taken by him/her to the APCPDCL which remain outstanding against him/her as per the original term and conditions.

VIII. All proceedings including disciplinary proceedings pending against the employees prior the effective date, transferred to APSPDCL, which may relate to misconduct, lapses or acts of commission or omission committed before the effective date shall not abate and will be continued by APSPDCL

Provided that all disciplinary cases finalized as on effective date shall not be reopened by APSPDCL.

IX. **Billing:** The data base of LT and HT consumers of APCPDCL has to be migrated to the billing application of APSPDCL. Correspondingly, the software in the SBMs of Kurnool and Ananthapur circles has to be modified so that it becomes compatible with the APSPDCL billing software.

X. **Cash Flow:** The Cash and Bank balances in the accounts of APCPDCL as on 01.06.2014, in Kurnool and Ananthapur circles shall be transferred to APCPDCL. The cash collected from 2.06.2014 has to be transferred to APSPDCL. APSPDCL has to take care of Cash Flow management with effect from 02.06.2014, by passing necessary board Resolutions.

XI. **Data Migration:** The data of the two circles of Ananthapur and Kurnool as on 1.06.2014 related to Revenue and Accounts has to be ported to APSPDCL server.

XII. **Material Management:** Material ordered by APCPDCL will continue to be delivered to Kurnool and Ananthapur stores till the pending orders are fulfilled by the vendors even after 2.6.2014. APCPDCL will make the payment and will have to be reimbursed by APSPDCL. The applicable taxes as on the date of delivery of the material have to

be levied and remitted according to the legal provisions applicable in respect of the same.

- XIII. **Taxes:** APSPDCL and APCPDCL have to file necessary applications to Tax authorities to obtain licenses as may be required.
- XIV. **Delegation of Powers:** The relevant powers delegated to the field officers by APSPDCL shall be made applicable to Kurnool and Ananthapur circles. The modules of the ERP package in use in Kurnool and Ananthapur circles shall be customized by APSPDCL to match the work flow and delegation of powers in APSPDCL.
- XV. **Energy Audit:**
- a. Three 33KV feeders originating in Krishna District of APSPDCL are serving the consumers of APCPDCL in Nalgonda district. Similarly, two 11KV feeders originating in Kurnool district are serving consumers of APCPDCL in Mahabubnagar district. These five feeders have to be segregated by APCPDCL. The details of the feeders are in Annexure-3.
 - b. One 11KV feeder originating in Mahabubnagar district of APCPDCL is serving consumers of Kurnool district. This feeder has to be segregated by APSPDCL. The details of the feeder are in Annexure-3.
 - c. Two 11KV feeders originating from Srisailem Right bank project switching station of APGENCO in Kurnool district are serving consumers in Mahabubnagar district of APCPDCL. Similarly, two 11KV feeders originating from the same switching station is serving GENCO quarters and GENCO Power house of Srisailem left bank. It is not possible to segregate these feeders in view of reserve forest permissions. Hence, GENCO has to erect 33kv/11KV features at left bank in order to transfer the above four 11KV feeders to APCPDCL. The details of the feeders are at Annexure-4.
- XVI. **Agreements:** On the transfer and vesting of the distribution business of Kurnool and Ananthapur circles to APSPDCL in terms of the Act, APSPDCL shall be responsible in respect of Ananthapur and Kurnool for all contracts, rights, deeds, schemes, bonds, agreements, and other instruments of whatever nature to which APCPDCL was initially a party, subsisting or having effect on the effective date in the same manner as APCPDCL was liable immediately before the effective date and the same shall be in force and effect against or in favour of APSPDCL and may be enforced effectively as if APSPDCL had been a party thereto instead of APCPDCL .
- XVII. **Adjustments:**
- a. The demand raised in Kurnool and Ananthapur circles in the month of June, 2014 in respect of areas where the monthly billing is followed and half of the demand raised in July 2014 in respect of areas where bi monthly billing is followed, will have to be transferred by APSPDCL to APCPDCL, since these amounts pertain to power consumption of May, 2014 which is to be paid for by APCPDCL to the generators.
 - b. In respect of O&M bills pending for payment as on 01.06.2014 for the period prior to 02.06.2014, APSPDCL shall pass the bills and arrange payment at their end.

APCPDCL shall reimburse this amount to APSPDCL.
 - c. In respect of the bills for capital works relating to the period prior to 2.6.2014, the payment shall be arranged by APSPDCL.
- XVIII. **Assets and Liabilities :**
- The assets and liabilities of the two circles of Kurnool and Ananthapur have to be transferred to APSPDCL as per sections 53 and 68(2) of the Act. The basis for apportionment of the Assets and liabilities between APSPDCL and APCPDCL is the Audited Balance Sheet of APCPDCL as on 01.06.2014

Accordingly, the Assets and Liabilities have to be apportioned as shown below (Details in Annexure 2)

- (i) Headquarters of APCPDCL – On population basis
- (ii) Assets and Liabilities which can clearly be assigned to the operational units (Kurnool and Ananthapur Districts) be assigned to APSPDCL based on the location.
- (iii) Assets and Liabilities which cannot be clearly assigned to any operational unit shall be apportioned based on average energy consumption in the last Five years.
- (iv) The assets and liabilities of the employees can be segregated only after the employees are finally assigned to the respective Discoms. These assets and liabilities will be determined on the date of transfer of employees from APCPDCL to APSPDCL. As regards assets side, which includes for instance advances to employees, they will be reduced in the books of accounts of APCPDCL in lieu of receipt of cash from APSPDCL for the same amount. As regards liabilities, they will be transferred to APSPDCL by reducing the same on the liabilities side and by transferring cash for the same amount to APSPDCL.

On the finalization of Audited Balance sheet as on 1.06.2014 the balances of Assets and liabilities will be adopted in the books of APCPDCL and APSPDCL after duly complying with provisions of the Companies Act 2013.

- XIX. **Loan Agreements:** Amended loan agreements with the Financial Institutions and Banks have to separately signed by APCPDCL and APSPDCL after apportionment of the loans. If the loans transferred to the APSPDCL have security of the assets of APCPDCL as charge, corresponding assets of APSPDCL shall be identified and fresh charge shall be created in favour of bank or financial institution. Similar action has to be taken by APCPDCL for the charge on the assets transferred to APSPDCL.
- XX. **Court Cases:** For all the court cases of Ananthapur and Kurnool circles transferred, APSPDCL shall take necessary legal action for change of petitioner/respondent.
- XXI. Any differences arising after the bifurcation in calculating income and expenditure of the prior period have to be mutually resolved by the two distribution companies.

CMD, APCPDCL and CMD, APSPDCL shall take necessary action accordingly.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

DR. S.K. JOSHI, IAS.,
SPECIAL CHIEF SECRETARY TO GOVERNMENT (FAC)

To

The Chairman & Managing Director, APCPDCL, Hyderabad.
The Chairman & Managing Director, APSPDCL, Tirupathi.
The Chairman & Managing Director, APTRANSCO, Hyderabad.
The Managing Director, APGENCO

Copy to:

The Chairman, APERC
The Chairman & Managing Director, APNPDCL, Warangal.
The Chairman & Managing Director, APEPDCL, Visakhapatnam.
The Chairman, APPCCL
The Managing Director, APPFCL
File C.No.4300-II/CC/2013
SF/SC

//Forwarded::By Order//

SECTION OFFICER.

Annexure-A...

(Annexure to G.O.Ms.No. 24 Energy (CC) Department, dt:29-05-2014)

Annexure-I

EMPLOYEE COST DETAILS

I. APCPDCL

Sl No	Parameters	Unit	CPDCL	ATP & KNL	% of ATP & KRNL
1	2	3	4	5	6=5/4*100
1	Consumers	Rs	2201420922	558208421	25.36
2	Substation	Rs	5286415820	1425092840	26.96
3	Line length	Rs	2101139597	532117215.6	25.33
4	DTR	Rs	1253817278	337611016.1	26.93
Total		Rs	10842793617	2853029493	26.31

II. Kurnool Zone

Sl No	Parameters	Unit	Kurnool Zone	ATP & KNL	% of ATP & KRNL
1	2	3	4	5	6=5/4*100
1	Consumers	Rs	784025845	558208421	71.20
2	Substation	Rs	2337830873	1425092840	60.96
3	Line length	Rs	1043795438	532117216	50.98
4	DTR	Rs	534153020	337611016	63.20
Total		Rs	4699805176	2853029493	60.71

III. CGRF-Rural

Sl No	Parameters	Unit	CGRF	ATP & KNL	% of ATP & KRNL
1	2	3	4	5	6=5/4*100
1	Consumers	Rs	1287312616	558208421	43.36
2	Substation	Rs	4136162314	1425092840	34.45
3	Line length	Rs	1729151008	532117216	30.77
4	DTR	Rs	954917939.6	337611016	35.35
Total		Rs	8107543878	2853029493	35.19

Annexure-2

Operationalisation of Section 53 and Section 68 of AP Reorganisation Act 2014 for APCPDCL		
Item	SUB HEAD	Basis of Apportionment
HEAD QUARTERS OF APCPDCL		Population
II. Section 53(a)	Apportionment of Assets and Liabilities	
Item	SUB HEAD	Basis of Apportionment
LIABILITIES		
SCH 5 - SHARE CAPITAL	Equity Share Capital	Balancing Item
SCH 6 - RESERVES & SURPLUS	Consumer Contributions, Subsidies& Grants towards capital assets	Geographical
	GIS Insurance & Saving Fund	Employees Division
	Self funding Medical	
	Statutory Reserves	Energy
	Surplus	Energy
SCH 7 - LONG TERM BORROWINGS	a. Term Loans -from Banks	7(a),(b),(c),(d) Geographical, Energy depending on the purpose for which liability was created
	b .Loan from GoAP	
	c. Term Loans-from Other parties	
	d. APSEB Bond 2004	
SCH 8 - OTHER LONG TERM LIABILITIES	Employee Liabilities	Employees Division
	Vendor Deposits	Geographical
	Contribution Works	Geographical
	Bid Deposit	
	Other Liabilities	
SCH 9 - LONG TERM PROVISIONS	Gratuity	Employees Division

	Leave Encashment	
SCH 10 - SHORT TERM BORROWINGS	Borrowings for Working Capital	Energy
SCH 11 - TRADE PAYABLES	Trade Payables	Energy
SCH 12 - OTHER CURRENT LIABILITIES	Current Maturities of Long Term Loans	12(a) Geographical 12(b) Energy as the case may be
	Employee Related Liabilities	Employees Division
	Statutory Liability	Geographical
	Advance from Customers	
	Consumer Deposits	
	Govt. of AP SC/ST Payable	
	Inter Unit Accounts	
	Interest payable to customers	
	APCPDCL Pension & Gratuity Fund	Employees Division
	APCPDCL GPF Trust	
	<u>Other Liabilities</u>	
	Advance from Others & Other Liabilities	Geographical
	FSA Payables	
SCH 13 - SHORT TERM PROVISIONS	Provision for Employee Cost	Geographical
	Provision for Admn. Expenses	
	Provision for Compensation	
	Provision for CWIP	
	Provision for Interest	
	Provision for O & M Works	
	Provision for Income Tax	Energy

	Audit Fee Payable	
ASSETS		
SCH 14 - FIXED ASSETS	Tangible Assets (Gross)	Geographical
	Land&Land Rights	
	Buildings	
	Civil Works	
	Plant and Machinery	
	Lins&CableNtwrk etc	
	Mtrs&MtringEquipment	
	Vehicles	
	Furn&Fxtrs	
	Office Equipments	
	Cmptrs and IT Eqpmnt	
	Airconditioners	
	Low Value Assets	
	Accumulated Depreciation	
	Net Fixed Assets	
	Intangible Assets - Computer Software	Energy
	Accumulated Depreciation on Computer Software	
	Capital Work in Progress	Geographical
SCH 15 - NON - CURRENT INVESTMENTS	Investments in Body Corporates & Government Securities	Energy
SCH 16 - DEFERRED TAX ASSETS (NET)	Deferred Tax Asset	Energy

SCH 17 - LONG TERM LOANS AND ADVANCES	Loans & Advances to Employees	Employees Division
	Deposits with Court	Geographical
	Capital Advances	Energy
SCH 18 - OTHER NON-CURRENT ASSETS	Long Term Receivables from Employees	Employee Division
SCH 19 - CURRENT INVENTORIES	Stores and Spares	Geographical
SCH 20 - TRADE RECEIVABLES	Trade Receivables (Sundry Debtors)	Geographical
	Less: Provision for Doubtful Debts	
	Net Sundry Debtors	
SCH 21 - CASH AND CASH EQUIVALENTS	Cash and Bank Balances	Energy
SCH 22 - SHORT TERM LOANS AND ADVANCES	Receivables from Employees	Employees Division
	Loans & Advances to Employees	
	Advance Tax	Energy
	Advance to Suppliers	
	Government Receivables	
	Provision for Govt. Recbls. - Additional Power	
SCH 23 - OTHER CURRENT ASSETS	Fixed Assets retired from active use	Geographical
	Interest Accrued on Invesments	Energy
	Unbilled Revenue	Geographical
	FSA Revenue - Receivables	Geographical
	APSEE Master P & G Trust	Place of drawl of Pension
	Other Receivables	Energy